



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

COMMITTEE ON LEGISLATIVE MATTERS

Voting Members:

Ernest Y. Martin, Chair
Kymberly Marcos Pine, Vice-Chair
Ikaika Anderson
Brandon J.C. Elefante
Carol Fukunaga
Ann H. Kobayashi
Joey Manahan
Ron Menor
Trevor Ozawa

AGENDA

SPECIAL MEETING
CITY COUNCIL CHAMBER
TUESDAY, OCTOBER 30, 2018
9:00 A.M.

SPEAKER REGISTRATION

Persons wishing to testify are requested to register by 9:00 a.m. as follows:

- a. On-Line at <http://www.honolulu.gov/ccl-testimony-form.html>;
- b. By faxing to 768-3827 your name, phone number and the agenda item;
- c. By filling out a registration form in person; or
- d. By calling 768-3818.

Persons who have not registered to testify will be given an opportunity to speak on an item following oral testimonies of the registered speakers.

Each speaker is limited to a **one-minute** presentation.

WRITTEN TESTIMONY

Written testimony may be faxed to 768-3827 or transmitted via the internet at <http://www.honolulu.gov/ccl-testimony-form.html> for distribution at the meeting.

If submitted, written testimonies, including the testifier's address, e-mail address and phone number, may be posted by the City Clerk and available to the public on the City's DocuShare Website.

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MATERIALS AVAILABLE FOR INSPECTION

Meeting materials ("*board packet*" §92-7.5, HRS) are available for public inspection at the Council Information and Records Section's service window at Room 202 in Honolulu Hale (530 S. King St.).

Accommodations are available upon request to persons with disabilities, please call 768-3818 or send an email to gmurayama@honolulu.gov at least three working days prior to the meeting.

The meeting is viewable by: (1) internet live streaming through http://olelo.granicus.com/MediaPlayer.php?publish_id=92; (2) televised live broadcast on Olelo TV Channel 54; or (3) after the meeting, viewable at <http://www.honolulu.citycouncil.tv/>. Copies of older meeting videos may be requested by calling the City Clerk's Office at 768-5822, charges may apply.

FOR APPROVAL

MINUTES OF THE OCTOBER 17, 2018 COMMITTEE ON LEGISLATIVE MATTERS SPECIAL MEETING

FOR ACTION

1. **BILL 42 (2017), CD1 – FUNDING FOR TRANSIT.** Allowing for greater flexibility in the sources of monies to be used for the capital cost of the Honolulu Rail Transit Project. (Bill 42, CD1 passed second reading 10/17/18)

PROPOSED CD2 TO BILL 42 (2017), CD1 (Submitted by Chair Martin) – The CD2 (OCS2018-1023/10/24/2018 1:07 PM) makes the following amendments:

- A. Amends Section 3 of the bill to: 1) change reference to “General Fund” to “General Fund and General Improvement Bond Fund”, and 2) reference the Revised Recovery Plan dated October 24, 2018 rather than the Recovery Plan dated September 15, 2017.
- B. Adds a new Section 4 of the bill to clarify that while the HART must reimburse the City for any payments of principal and interest and any other costs incurred by the City and County relating to the issuance of the general obligation indebtedness for the Honolulu High Capacity Transit Project, the City is responsible for any payments of principal and interest and any other costs relating to the issuance of the general obligation indebtedness for the Honolulu High Capacity Transit Project contingency.

Renumbers subsequent sections as appropriate.

- C. Amends Section 5 of the bill to clarify that in Sections 2 and 4 of this ordinance, ordinance material to be repealed is bracketed and stricken and new ordinance material is underscored.
- D. Makes miscellaneous technical and nonsubstantive amendments.

Related communication:

D-679 From the Department of Budget and Fiscal Services, submitting for consideration, a proposed CD2 to Bill 42 (2017), CD1.

2. **RESOLUTION 18-127 – GENERAL OBLIGATION BONDS.** Authorizing the Director of Budget and Fiscal Services to issue and sell in one or more series not to exceed \$450,000,000 principal amount of General Obligation Bonds of the City and County of Honolulu to finance capital costs of the Honolulu Rail Transit Project. (Transmitted by Communication D-379)

PROPOSED CD1 TO RESOLUTION 18-127 (Submitted by Council Chair Martin)
– The CD1 (OCS2018-1019/10/23/2018 2:27 PM) makes the following amendments:

- A. Revises the third WHEREAS clause to specify that HART may, rather than is required to, make a request to the Council for the issuance and sale of general obligation bonds, which proceeds will be used to finance the capital costs of the Honolulu Rail Transit Project to match the language in Charter Section 17-109.
- B. Adds two new WHEREAS clauses and amends the first paragraph of the BE IT RESOLVED clause to identify ordinances authorizing the issuance and sale of the general obligation bonds for the Honolulu Rail Transit Project.
- C. Adds a new WHEREAS clause describing the HART board's resolution requesting the Council's approval of the issuance and sale of the general obligation bonds in the aggregate principal amount not to exceed \$450,000,000 for the Honolulu Rail Transit Project.
- D. Amends the second paragraph of the BE IT RESOLVED clause by deleting the phrase "or as a part of a series of other general obligation bonds of the City and County of Honolulu or from time to time in series".
- E. Adds a sixth paragraph to the BE IT RESOLVED clause to require that the memorandum of understanding between the Honolulu Authority for Rapid Transportation and the City concerning the HRTTP GO bonds must require that the City and County be reimbursed by the Honolulu Authority for Rapid Transportation for any payments of principal and interest and any other costs incurred by the City and County relating to the issuance of the general obligation indebtedness.
- F. Makes miscellaneous technical, conforming, and nonsubstantive amendments.

3. **RESOLUTION 18-132 – GENERAL OBLIGATION BONDS.** Authorizing the Director of Budget and Fiscal Services to issue and sell in one or more series not to exceed \$44,000,000 principal amount of General Obligation Bonds of the City and County of Honolulu for the purpose of financing capital costs of the Honolulu Rail Transit Project. (Transmitted by Communication D-388)

PROPOSED CD1 TO RESOLUTION 18-132 (Submitted by Council Chair Martin)
– The CD1 (OCS2018-1020/10/23/2018 2:57 PM) makes the following amendments:

- A. Adds a new WHEREAS clause and amends the first paragraph of the BE IT RESOLVED clause to identify, by number, Ordinance 18-27 (which authorized the issuance and sale of the general obligation bonds in an aggregate of the amount appropriated in the Honolulu Authority for Rapid Transportation Capital Budget Ordinance for Fiscal Year July 1, 2018 to June 30, 2019) and Ordinance 18-26 (the Honolulu Authority for Rapid Transportation Capital Budget Ordinance for Fiscal Year July 1, 2018 to June 30, 2019).
 - B. Adds a new WHEREAS clause describing the HART board's resolution requesting the Council's approval of the issuance and sale of the general obligation bonds in the aggregate principal amount not to exceed \$44,000,000 for the Honolulu Rail Transit Project, subject to certain conditions.
 - C. Amends the second paragraph of the BE IT RESOLVED clause by deleting the phrase "or as a part of a series of other general obligation bonds of the City and County of Honolulu or from time to time in series".
 - D. Makes miscellaneous technical, conforming, and nonsubstantive amendments.
4. **RESOLUTION 18-237 – AGREEMENT WITH THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION (“HART”).** Consenting to and approving the agreement between the City and HART regarding the issuance and sale in one or more series not to exceed \$44,000,000 principal amount of the General Obligation Bonds of the City and County of Honolulu for the purpose of financing capital costs of the Honolulu Rail Transit Project. (Transmitted by Communication D-681)

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PROPOSED CD1 TO RESOLUTION 18-237 (Submitted by Council Chair Martin)
– The CD1 (OCS2018-1024/10/24/2018 11:05 AM) makes the following amendments:

- A. In the Third WHEREAS clause, changes the reference from \$44,000,000 to \$214,000,000.
- B. Revises the Fifth WHEREAS clause to incorporate the proposed amendment to Bill 42 (2017), CD1 (proposed CD2 version) that includes a new section to amend Section 4 of Ordinance 18-27 to provide that, the agreement between the City and HART must require that the City is responsible for any payments of principal and interest and other bond related costs for bond proceeds budgeted for the Honolulu High Capacity Project Contingency.
- C. In Exhibit A:
 - 1. Adds a new WHEREAS clause to add a reference to the Revised Recovery Plan (Resolution 18-239), dated October 24, 2018, that will be considered by the Legislative Matters Committee and Council, respectively, on October 30, 2018;
 - 2. Adds references to the "Revised Recovery Plan" rather than "Recovery Plan" for purposes of referencing the Revised Recovery Plan, dated October 24, 2018;
 - 3. Amends the Fifteenth WHEREAS clause by:
 - a. Changing all references from "General Fund" to "General Fund and General Improvement Bond Fund";
 - b. Incorporating the above-mentioned proposed CD2 changes to Bill 42 (2017), CD1;
 - c. Removing the reference to "Additional Funds" and changing the reference from "Figure 6-1" to "Figure 6-2"; and
 - d. Deletes the words "debt service" and changes "other costs" to just "costs";

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4. Amends the NOW, THEREFORE clause by adding the phrase "not to exceed \$44 million" after the phrase "or any other form of general bond indebtedness or obligation";
 5. Amends Section 1.02 by specifying that "HART revenues" include transient accommodations tax dedicated to the H RTP; and
 6. Amends Section 6.03 to specify that the terms of the AGREEMENT may be modified by mutual written agreement of the HART and the City with prior approval of the Council.
- D. Makes miscellaneous technical, conforming, and nonsubstantive amendments.
5. **RESOLUTION 18-239 – 2018 RECOVERY PLAN.** Approving the 2018 Recovery Plan for the Honolulu Rail Transit Project to be submitted to the Federal Transit Administration. (Transmitted by Communication D-688)

PROPOSED CD1 TO RESOLUTION 18-239 (Submitted by Council Chair Martin)
– The CD1 (OCS2018-1028/10/24/2018 12:20 PM) makes the following amendments:
 - A. Amends the BE IT RESOLVED clause to read as follows:

“BE IT RESOLVED by the Council of the City and County of Honolulu that the Council approves the 2018 Recovery Plan (including the 2018 Financial Plan) transmitted by Departmental Communication 688 (2018), both dated October 24, 2018, substantially in the form attached hereto as Exhibit A and incorporated herein, provided that any further changes do not incur additional obligations on the part of the City, and”
 - B. Labels/designates the attached 2018 Recovery Plan as “Exhibit A.”
 - C. Makes miscellaneous technical, conforming, and nonsubstantive amendments.

FOR DISCUSSION

6. **THE WAIVER OF THE PROVISIONS OF THE CHARTER TO ENSURE THAT THE CITY DOES NOT LOSE FEDERAL FUNDING FOR THE RAIL PROJECT.**

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EXECUTIVE SESSION

If the need arises with respect to any item on this agenda, pursuant to Hawaii Revised Statutes Sections 92-4 and 92-5(a)(4), the Committee may resolve into Executive Session to consult in a closed meeting with the attorneys for the Council Legislative Matters Committee on questions and issues pertaining to the Council's powers, duties, privileges, immunities and/or liabilities relating to that item.

ERNEST MARTIN, Chair
Committee on Legislative Matters